



"America's Small
Business Resource"

Small Business Beat

Quarterly Publication of the Michigan District Office

Fall 2003

A Brief History... SBA at 50 Years

The U.S. Small Business Administration will observe its 50th anniversary in 2003 by recognizing the accomplishments of small business owners across the country.

Since its inception in 1953, the SBA has helped more than 20 million Americans start, grow, and expand their businesses – placing more than \$170 billion in direct or guaranteed loans into the hands of entrepreneurs. SBA's 50th anniversary gives us an opportunity to reflect on our history, and to plan new ways to serve America's small businesses for the next 50 years.

Although the SBA was officially established in 1953, its philosophy and mission were shaped years earlier through predecessor agencies, largely as a response to the pressures of the Great Depression and World War II. The Reconstruction Finance Corporation, created by President Herbert Hoover in 1932 to alleviate the financial crisis of the Great Depression, was SBA's grandparent. The RFC was basically a federal lending program for businesses, large and small, hurt by the Depression. It became the personal project of Hoover's successor, President Franklin D. Roosevelt.

Concern for small business intensified during World War II when large industries beefed up production to accommodate

wartime defense contracts, and smaller businesses had difficulty competing. To help small businesses participate in war production and give them more financial viability, Congress created the Smaller War Plants Corporation in 1942. The SWPC provided direct



loans and advocated small business interests to federal procurement agencies and big businesses.

The SWPC was dissolved after the war, and its lending and contract powers were handed over to the RFC. At this time, the Office of Small Business in the Department of Commerce also assumed some responsibilities that would later become characteristic duties of the SBA. Its services were primarily educational. Believing that a lack of information and expertise was the main cause of small business failure, the OSB produced brochures and conducted management counseling for individual entrepreneurs.

Congress created another wartime organization to handle small business concerns during the Korean War, this time called the Small Defense Plants Administration. Its functions were similar to those of the SWPC, except that ultimate lending authority was retained by the RFC. The SDPA certified small businesses to the RFC when it had determined that they were competent to perform work on government contracts.

By 1952, a move was on to abolish the RFC. To continue the important functions of the earlier agencies, President Dwight Eisenhower proposed the creation of a new small business agency — the Small Business Administration.

In the Small Business Act of July 30, 1953, Congress created the Small Business Administration, whose function was to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns." By 1954, the SBA already was making direct business loans and guaranteeing bank loans to small businesses, as well as making loans to victims of natural disasters, working to get government contracts for small businesses and helping business owners with management and technical assistance and business training.

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◆ On-line Registration for SBA's National Entrepreneurial Conference and Expo

On-line registration is now available for SBA's annual celebration honoring America's top entrepreneurs and the announcement of the National Small Business Person of the Year. This event takes place in Washington, D.C., September 17-19.

The National Entrepreneurial Conference and Expo (NECE) will feature award ceremonies and presentations by notable speakers from industry and government on issues of vital interest to the small business community, including a ***Celebrating Women in Business*** event recognizing the contributions of women business owners. A small business "Hall of Fame" will be inaugurated during the conference.

The National Small Business Person of the Year will be selected from among 50 state Small Business Persons of the Year, plus one each from the District of Columbia, Puerto Rico and Guam. Two runners-up will also be named.

The NECE also will offer a series of business sessions designed to provide small businesses with useful and tangible advice, assistance and insight, including Managing Your Business, Emerging Markets, Procurement Opportunities, Small Business Financing, eBusiness, International Trade, Tax Relief, Health Care, Contingency Planning, Veteran Business Development and Leadership.

The NECE will also feature a Procurement Matchmaking event that will bring together prime and sub-contractors with small businesses to make business

deals, as well as an Expo featuring over 175 exhibitors, including small businesses, corporate entities, international interests, and federal and state governments. **To register visit NECE's Web site at <http://www.sba.gov/50/nece.html>.**

◆ SBA's New Web Site

SBA recently launched a newly designed Web site with many new customer-focused features. It is a giant step forward for us and our customers. The redesigned site, www.sba.gov is one of several E-Government initiatives aimed at taking small business information from multiple sources and making it available to entrepreneurs at one comprehensive online location.

Key features include: language and links explained in "plain English;" the what, where, why, and how-to of starting and running a business; five customer-centered access views – starting a business, financing a business, managing & growing a business, business opportunities, and disaster assistance; integration of Federal, state, and local levels of government; and much more.

◆ New Guide To Regulatory Process

Small business owners have a new tool to help cut through the complex and confusing federal regulatory process. The recently launched Regulatory Alerts Web page of the Office of Advocacy now provides one-stop access to proposed regulations, ability to submit comments on pending regulation proposals, direct access to Advocacy staff, and links to other regulatory related sites. The Regulatory Alerts page is located in SBA's Office of Advocacy's Web site at www.sba.gov/advo.

Assistance for Women Entrepreneurs

National City along with the Michigan Small Business & Technology Development Center (SBTDC), the National Association of Women Business Owners, and SBA will be conducting the first Women's Economic Development Outreach (WEDO) in Michigan.

Originally developed by National City in their Pittsburgh market, this program brings together local professional and non-profit organizations devoted to assisting women entrepreneurs. Whether just starting a business or trying to expand, this initiative will provide valuable information for all women in business.

Each WEDO event will provide panels of local experts covering topics such as: how to really use your business plan as a management tool, positioning your company for financing, the importance of networking, and how

certification as a women's business enterprise can open new markets.

SBA Deputy Administrator Melanie R. Sabelhaus will be the keynote speaker at the opening WEDO event at Freedom Hill County Park in Sterling Heights on September 8.

WEDO will be offered from 8:30 am – 12:00 pm at the following dates and locations: September 8, Freedom Hill County Park, **Sterling Heights**; September 9, Southfield Public Library, **Southfield**; September 10, Washtenaw Community College, **Ann Arbor**; and September 12, National City Operations Center, **Kalamazoo**. There is no charge to attend, but pre-registration is required. For more information, exact locations, and to register, please call National City at (888) 622-4249 or visit SBTDC's Web site at www.misbtcd.org/wedo.asp.

President Honors Michigan SCORE volunteer

On July 24, 2003, President Bush recognized Michigan's Service Corps of Retired Executive Walter Piper during a trip to Metro Detroit. Piper greeted the President as he stepped off Air Force One. Later, the President recognized Piper's

volunteerism during a speech at a business in Livonia.

The President stated "... And what he (Piper) has done is he's decided to provide counsel and advice to people who want to start their own small business. He is volunteering his time to try to make the community in which he lives a better place."

Piper has been a SCORE volunteer for over 12 years. He retired from TRW after 35 years as a sales engineer.

SBA Loans to Michigan Small Businesses Reach Record Levels

The Michigan District Office has already provided more loans in Fiscal Year 2003 than it has approved in any previous year. Michigan businesses have received 1,415 7(a) loans through August, shattering the old record of 1,069 set in FY 1995. Much of this increase is attributable to SBA's newest loan product, SBAExpress, which was greatly expanded at the end of the last fiscal year. In addition, 99 504 loans have been approved, three more than last year's total.

Small Business Beat is a publication of the Michigan District Office of the U.S. Small Business Administration. We encourage the reprint of any information appearing in this newsletter.

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All of SBA's programs and services are provided to the public on a nondiscriminatory basis.



Walter Piper at SCORE's Detroit Office

Michigan Small Business and Advocate Awards for FY 2003

On June 2, SBA's Acting District Director, Richard Temkin, presented Michigan's 2003 Small Business Person of the Year and advocate awards at a luncheon hosted by the Greater Jackson Chamber of Commerce at the Cascade Manor House in Jackson. The keynote speaker was David Hollister, the new director of Consumer and Industrial Services for the state. He spoke on the importance of entrepreneurs for Michigan's future.

These are the 2003 SBA award winners:

Small Business Person of the Year

William Deary - CEO, Great Lakes Home Health & Hospice, Jackson

Michigan and Midwest Regional Financial Services Advocate

Paul Arsenault - President/Owner, Concepts Consulting, Ishpeming

Small Business Journalist

Anne Schieber - Business Reporter, WOOD TV-8, Grand Rapids

Minority Small Business Advocate

Jack Schwab - Vice President Community Investment, Bank One, Detroit

Women in Business Advocate

Ursula Scroggs - President & Managing Partner, Derderian, Kann, Sayferth & Salucci, Troy

Michigan Veteran Small Business Advocate

Warren Vassar - Veterans Employment Rep., Michigan Dept. of Career Development, Adrian

Research Advocate

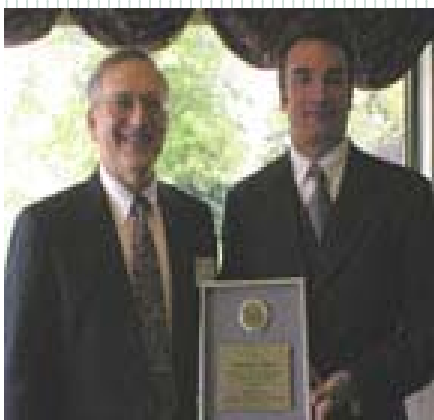
Nancy Levenburg - Assistant Professor, Grand Valley State University, Grand Rapids

Small Business Counselor

Wendy Thomas - Senior Business Counselor, Michigan Small Business & Technology Development Center, Detroit

The Michigan District Office congratulates all our 2003 winners on their awards!

At the Michigan Small Business Awards Luncheon



Richard Temkin, Acting District Director and William Deary, Michigan Small Business Person of the Year



Richard Temkin, Acting District Director and Paul Arsenault, Michigan and Midwest Regional Financial Services Advocate

SBA at 50 Years cont'd

FY 2004 Small Business and Advocate Awards Nominations

Over the years, the SBA has expanded its array of programs to include a variety of guaranteed loans and other financial assistance programs, and federal contract procurement assistance, management assistance and specialized outreach to women, minorities and veterans.

SBA's current business loan portfolio of roughly 219,000 loans worth more than \$45 billion makes it the largest single financial backer of businesses in the nation. Last fiscal year alone, the SBA backed more than \$12.3 billion in loans to small businesses, including \$351.1 million in loans to Michigan businesses. More than \$1 billion was made available for disaster loans, and more than \$40 billion in federal contracts were secured by small businesses with SBA's help.



Newsletter Mailing

If you or someone you know would like to receive a copy of future editions of *Small Business Beat* via email, please forward the email address to Annette Hall at annette.hall@sba.gov.

CALL FOR NOMINATIONS

SBA's Michigan District Office is now accepting nominations for its 2004 Small Business Awards, including the Small Business Person of the Year.

The nomination process is simple. The nominator may submit a preliminary nomination letter to the Michigan District Office in any format. Those selected from the preliminary letters will then be asked to submit a complete nomination packet.

Nominations will be accepted for the following awards:

- Small Business Person of the Year
- Exporter of the Year
- Young Entrepreneur of the Year
- Entrepreneurial Success
- Financial Services Advocate of the Year
- Home-Based Business Advocate
- Michigan Small Business Counselor
- Minority Small Business Advocate
- Small Business Journalist of the Year
- Small Business Research Advocate
- Veteran Small Business Advocate
- Women in Business Advocate

Award winners will be honored at SBA's Michigan Small Business Awards Ceremony to be held in the Spring of 2004. National award winners and all Small Business People of the Year travel to Washington D.C. during National Small Business Week to receive their awards, which are often presented by the President.

Criteria varies per award. For example, nominees for Small Business Person of the Year will be evaluated according to staying power; growth in number of employees, sales volume, and profits; innovativeness of product/service; response to adversity; and community service.

More information is available from the Michigan District Office at (313) 226-6075 x279. All preliminary nominations are due October 22, 2003. Send nominations to: SBA, Attn: District Director, 477 Michigan Avenue, Room 515, Detroit, MI 48226.